



October 31, 2011

For the State of Oklahoma

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For the United States

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File Ref. No. 90-11-3-09688

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Craig Kaufman, Attorney-Advisor
United States Environmental Protection Agency
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Washington, DC 20460

Dear Ladies and Gentlemen:

Environmental Properties Management, LLC, Trustee for the Cimarron Environmental Response Trust, hereby submits the attached financial statements for the following Trust Accounts to the beneficiaries of the Cimarron Trust:

- (1) Cimarron Trust Federal Environmental Cost Account
- (2) Cimarron Trust State Environmental Cost Account
- (3) Cimarron Trust Administrative Account

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Beneficiary Letter

The attached financial statements cover the period from inception through September 30, 2011 and are submitted pursuant to the Cimarron Trust's obligations under paragraph 6.1 of the Environmental Response Trust Agreement.

Please do not hesitate to contact me with any questions pertaining to the attached.

Sincerely,

A handwritten signature in black ink, which appears to read "Bill Halliburton". The signature is fluid and cursive, with a large, sweeping loop at the end.

Bill Halliburton
Trust Administrator

Attachments (2)

Cimarron Environmental Response Trust
Statement of Assets, Liabilities and Net Assets
September 30, 2011

| | Administrative Account | Federal Account | State Account | Total |
|----------------------------------|---------------------------|------------------------|----------------------|------------------------|
| ASSETS | | | | |
| Current Assets | | | | |
| Cash | \$ 1,304,746.10 | \$ 6,588,381.00 | \$ 746,114.00 | \$ 8,639,241.10 |
| Total current assets | 1,304,746.10 | 6,588,381.00 | 746,114.00 | 8,639,241.10 |
| TOTAL ASSETS | <u>\$ 1,304,746.10</u> | <u>\$ 6,588,381.00</u> | <u>\$ 746,114.00</u> | <u>\$ 8,639,241.10</u> |
| LIABILITIES AND NET ASSETS | | | | |
| Current Liabilities | | | | |
| Accounts Payable | 127,835.06 | 178,439.45 | 27,285.44 | 333,559.95 |
| Accrued Property Taxes | 5,199.74 | | | 5,199.74 |
| Total current liabilities | <u>133,034.80</u> | <u>178,439.45</u> | <u>27,285.44</u> | <u>338,759.69</u> |
| Net Assets | 1,171,711.30 | 6,409,941.55 | 718,828.56 | 8,300,481.41 |
| TOTAL LIABILITIES AND NET ASSETS | <u>\$ 1,304,746.10</u> | <u>\$ 6,588,381.00</u> | <u>\$ 746,114.00</u> | <u>\$ 8,639,241.10</u> |

Cimarron Environmental Response Trust
Statement of Receipts and Expenses and Changes in Net Assets
From Inception thru period ending September 30, 2011

| | Administrative Account | Federal Account | State Account | Total | | |
|-------------------------------------|---------------------------|------------------------|----------------------|------------------------|------------------------|------------------------|
| RECEIPTS | | | | | | |
| Proceeds from Settlement | \$ 1,303,889.00 | \$ 6,588,381.00 | \$ 746,114.00 | \$ 8,638,384.00 | | |
| Accrued property taxes (1/1 - 2/14) | 857.10 | | | 857.10 | | |
| TOTAL RECEIPTS | <u>1,304,746.10</u> | <u>6,588,381.00</u> | <u>746,114.00</u> | <u>8,639,241.10</u> | | |
| EXPENSES | | | | | Annual Budget | Over (Under) Budget |
| Administrative Expenses | | | | | | |
| Startup Fees | 36,823.50 | | | 36,823.50 | 37,000.00 | (176.50) |
| Trustee & Administrator Fees | 74,855.90 | | | 74,855.90 | 145,081.00 | (70,225.10) |
| Site Maintenance & Security | 1,714.48 | | | 1,714.48 | 10,000.00 | (8,285.52) |
| Utilities | 2,900.63 | | | 2,900.63 | 11,440.00 | (8,539.37) |
| Legal Fees | 11,540.55 | | | 11,540.55 | 28,500.00 | (16,959.45) |
| Taxes | 5,199.74 | | | 5,199.74 | 8,000.00 | (2,800.26) |
| | <u>133,034.80</u> | <u>-</u> | <u>-</u> | <u>133,034.80</u> | <u>240,021.00</u> | <u>(106,986.20)</u> |
| Federal Expenses | | | | | | |
| License Transfer | | 8,974.00 | | 8,974.00 | 65,092.00 | (56,118.00) |
| Licence Compliance | | 44,128.90 | | 44,128.90 | 197,622.00 | (153,493.10) |
| Groundwater Assessment | | 124,550.55 | | 124,550.55 | 189,262.20 | (64,711.65) |
| Remedy Selection | | 786.00 | | 786.00 | 20,540.80 | (19,754.80) |
| Groundwater Design | | - | | - | - | - |
| Agency Fees | | - | | - | 361,800.00 | (361,800.00) |
| | <u>-</u> | <u>178,439.45</u> | <u>-</u> | <u>178,439.45</u> | <u>834,317.00</u> | <u>(655,877.55)</u> |
| State Expenses | | | | | | |
| Groundwater Assessment | | | 26,339.44 | 26,339.44 | 29,600.50 | (3,261.06) |
| Remedy Selection | | | 946.00 | 946.00 | 1,348.20 | (402.20) |
| Groundwater Design | | | - | - | - | - |
| Agency Fees | | | - | - | 50,000.00 | (50,000.00) |
| | <u>-</u> | <u>-</u> | <u>27,285.44</u> | <u>27,285.44</u> | <u>80,948.70</u> | <u>(53,663.26)</u> |
| TOTAL EXPENSES | <u>133,034.80</u> | <u>178,439.45</u> | <u>27,285.44</u> | <u>338,759.69</u> | <u>\$ 1,155,286.70</u> | <u>\$ (816,527.01)</u> |
| CHANGES IN NET ASSETS | <u>1,171,711.30</u> | <u>6,409,941.55</u> | <u>718,828.56</u> | <u>8,300,481.41</u> | | |
| NET ASSETS, beginning of period | - | - | - | - | | |
| NET ASSETS, end of period | <u>\$ 1,171,711.30</u> | <u>\$ 6,409,941.55</u> | <u>\$ 718,828.56</u> | <u>\$ 8,300,481.41</u> | | |